



JBWere

## Disaster Giving - A natural response

By John McLeod

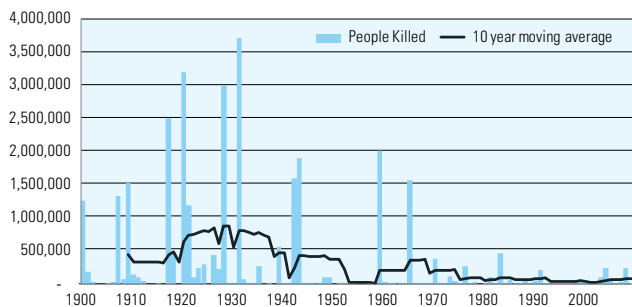
It seems that natural disasters are becoming more severe and frequent. So too are calls for support — both voluntary and sometimes imposed. While this can leave potential donors overwhelmed and confused about the best response, there is no doubting Australians' great generosity in times of disaster. In this article, the JBWere Philanthropic Services team examines the lessons we have learned about how donors are responding to disasters and suggests ways of maximising the impact of support in these times.

### **Are disasters getting more frequent and larger?**

If we follow media reporting, it is easy to conclude that there are a greater number of natural disasters worldwide and that more people are being killed or severely affected. In Australia, the number of bushfires, cyclones, floods and droughts that have engulfed the country in recent times seems to be higher than any other time in living memory. Certainly the impact of disasters and subsequent effects experienced worldwide have changed over time.

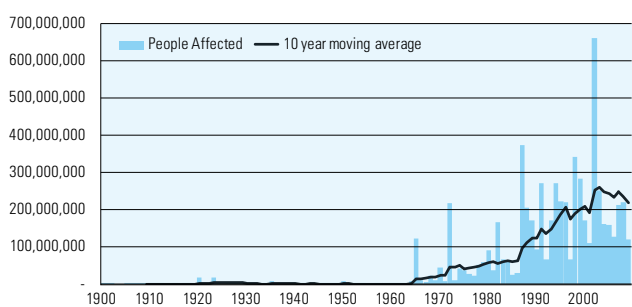
The moving average shown in chart 1 hides some of the more extreme years. Deaths from epidemics in the Soviet Union (1917) and India (1920) of over 2.5 million and China's drought (3 million in 1928) and floods (3.7 million in 1931 and 2 million in 1959) didn't have internet coverage. The scale also masks the still horrific tsunami in 2004 which claimed almost 200,000 lives.

### People Killed by Natural Disasters 1900 - 2009



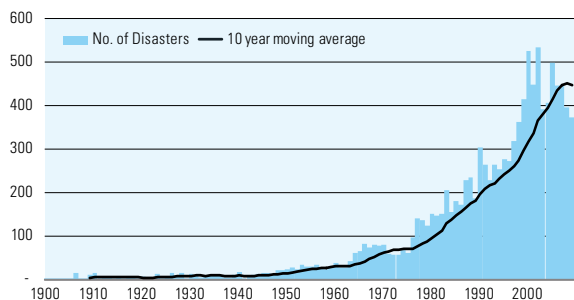
Source: EM-DAT. The OFDA/CRED International Disaster Database  
www.emdat.net  
Université catholique de Louvain - Brussels - Belgium

### People Affected by Natural Disasters 1900 - 2009



Source: EM-DAT. The OFDA/CRED International Disaster Database  
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### Number of Natural Disasters 1900 - 2009



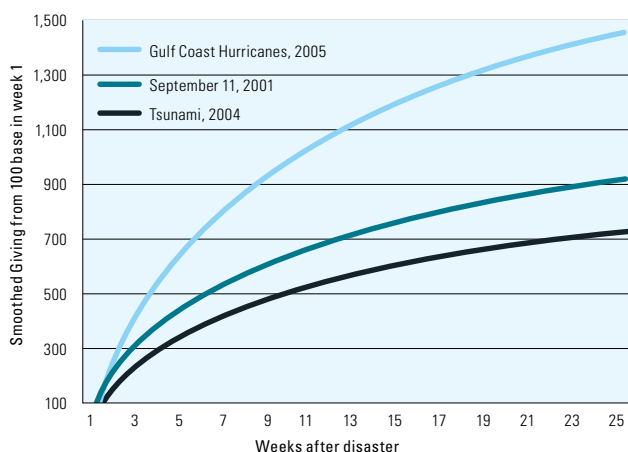
Source: EM-DAT. The OFDA/CRED International Disaster Database  
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The clear trend since 1900 is that fewer people are dying but far more are being affected by natural disasters (chart 2), which seem to be occurring more frequently (chart 3). This may be due to a combination of factors. Better health and disease control/eradication could explain why deaths from epidemics are on the decline. But growing and more concentrated populations across the globe are seeing a far greater number of people affected by natural disasters — more often than not in poorer and more populous regions of the planet.

### How do we react to disasters?

The extensive, real-time global media coverage of disasters generates a great amount of well-deserved empathy for those affected. The feeling that “it’s no one’s fault” offers every reason for people to help. (The opposite reaction was seen during the US Gulf oil spill where donations were relatively small.) The speed of the unfolding disaster also promotes a fast response. This means public support is often quick and generous — usually seen in the first two months (chart 4) despite the fact that the need for support is mostly spread over a much longer timeframe. Contrast this against lower support for slowly evolving disasters such as species extinction or deforestation.

### Disaster Giving Timeline - USA



Source: The Center on Philanthropy at Indiana University

This early phase is also when large corporate support is seen, with public lists highlighting company names and donation size. Governments are also heavily involved at all times but most visibly at these early stages. Their success has varied widely from Myanmar’s initial reluctance to accept overseas aid to the slow reaction of the US Government to the Katrina hurricane in New Orleans, to the timely, practical and heartfelt actions during the recent Queensland floods and cyclone.

It is also a time when donations of goods are made, often overwhelming on-the-ground charities helping victims. Add in the volunteer support generously coming forward at this time and it’s easy to see the difficult logistics involved in managing the first few weeks of a disaster.

However, coordination of support during disasters continues to improve with technology and, sadly, the more experience and lessons we learn from past disasters. The Disasters Emergency Committee ([www.dec.org.uk](http://www.dec.org.uk)) in the UK is an umbrella organisation of 13 major aid agencies that is supported by media, banks, post office, telecom and corporate groups. Its role is to coordinate support for major world disasters. The Australian Red Cross acted as the donations co-ordinator for the 2009 Victorian bushfires raising \$380 million, while the Queensland Premier’s Disaster Relief Appeal had raised \$216 million by mid-February 2011.

This centralisation of early support reduces the room for scams to emerge, helps stop donors being frozen with too many choices, ensures tax deductibility for donations and usually provides some oversight of expenditure to ensure funds go where they are required at the initial stages of the disaster recovery process.

## How can you maximise the impact of your giving?

Support and recovery from disasters commonly has two phases. The first involves dealing with immediate issues such as saving lives and providing medical aid, food, water and shelter as required. The second phase involves the recovery, which takes much longer, is more complicated and the costs are far greater. Generally, we are good at getting people out but the same cannot be said for bringing them back.

Typically, the groups that work on the first phase are not as involved in the recovery phase where the skills required are different. Ideally, the first phase should involve larger, better resourced and experienced agencies who have a regional presence earlier, know their way around the area and event type, and are sensitive to any cultural issues. Many smaller, local groups may be struggling for their own survival at this early stage.

As efforts move to the recovery phase, important changes occur. Local knowledge and integration with the local community becomes critical. The people being brought back need to 'own their recovery'. This is when local groups become valuable. They know the area intimately and are trusted by the community, and they can also provide much needed local employment. In addition, 'building a better reality' is important in terms of preparing for future events and providing confidence to those returning. Earthquake-proof buildings and levy bank construction are examples of building back better.

Unfortunately, this second phase is usually when the media spotlight turns off. The need is greater but the support is less. Donors should consider providing part or all of their support for this phase of the disaster. While it requires a little more investigation and some patience amidst the initial frenzy, it can offer better and more rewarding returns. This can also match well with donors who have looked to arrange their philanthropic support through longer term giving vehicles such as a Charitable Endowment Fund or a Private Ancillary Fund.

Finally and perhaps most importantly, support for reducing the effects of future disasters can be forgotten during the initial dramatic stages of aid and the medium-term recovery efforts. In terms of return on investment, being prepared and mitigating future events are far cheaper than not being ready when they occur. After a cyclone killed 140,000 people in Bangladesh in 1991, much effort went into preparing for the next one. Shelters on higher ground were built and made known, early warning systems were put in place and simulations and training were conducted. When a similar sized cyclone hit in 2007, 3.2 million people had been evacuated and less than 4,000 died. Still a tragedy, but the scale was so much reduced.

We are getting better at managing disasters, which is fortunate as trends suggest we will see more of them and the number of people affected will rise. Australian support of these efforts both locally and internationally has been praiseworthy. With our improving knowledge of disaster recovery, our efforts can continue to be directed towards both the initial stage and perhaps, more effectively and importantly the medium term.

The JBWere Philanthropic Services team specialises in developing strategies and structured giving programs that can support those in need during times of disaster and foster your broader philanthropic goals.

JBWere Philanthropic Services is committed to contributing to the ongoing development of the philanthropic and the non-profit sectors in Australia and New Zealand. Our team has been an integral component of JBWere's wealth management offering since 2001.

We work with individuals, families and businesses to help them develop and implement strategic philanthropy goals that meet their particular family, legacy, tax or financial situation.

We also work with non-profit clients on governance, on how to maximise investment outcomes and on how to appeal to donors. In further support of our clients, we conduct and compile research and best practice in the non-profit space and share these findings with our clients. Additionally, our team provides capacity building seminars and events that provide educational opportunities for non-profit staff and board members.

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To find out more about how our JBWere Philanthropic Services team can help you, please contact:

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